



DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

SUBJECT NEGOTIATED RATE CONTRACTING	POLICY NO. 110.6	EFFECTIVE DATE 06/17/91	PAGE 1 of 1
APPROVED BY: Original signed by: FRANCIS DOWLING Director	SUPERSEDES N/A	ORIGINAL ISSUE DATE 06/17/91	DISTRIBUTION LEVEL(S) 1, 3

PURPOSE

- 1.1 To provide guidelines for Department of Mental Health (DMH) Negotiated Rate contracting of mental health service agreements unless otherwise indicated by statute or policy.

POLICY

- 2.1 The Department of Mental Health, in accordance with all applicable State laws and County policies, will contract with mental health service providers using the Negotiated Rate reimbursement payment method as stipulated in DMH Letter 84-10 and the Cost Reporting Data Collection Manual (CR/DC Manual) unless otherwise indicated by other statute or policy, e.g., Federal Block Grant programs, State hospital programs.

PROCEDURES

- 3.1 All mental health service agreements shall adhere to the Negotiated Rate contract format whenever applicable. Negotiated Rate is a specific and fixed dollar amount, negotiated between the County and the provider, for delivery of a specified unit of service (as defined in the CR/DC Manual). Negotiated Rate contracting requires that:
 - 3.1.1 Fixed rates must be negotiated for all units of service based on gross program cost and must be approved by the State Department of Mental Health.
 - 3.1.2 Provider agrees to comply with all applicable provisions of the statutes, regulations, and policies as stated in DMH Letter 84-10 and the State's Cost Reporting/Data Collection Manual (CR/DC Manual).
 - 3.1.3 Provider agrees to comply with all provisions of the Negotiated Rate Mental Health Services Agreement.

AUTHORITY

DMH Letter 84-10, CR/DC Manual (1991)
Auditor General Audit (1990)